

CHAPTER 9 REAL PROPERTY

9.1 RELATED STATUTORY AUTHORITY

- A. SC Law Section 1-11-65 requires that all transactions involving real property, made for or by any governmental bodies, excluding political subdivisions of the State, must be approved by and recorded with the State Budget and Control Board.
- B. SC Law Section 2-47-50 requires all projects involving acquisition of real property to be established as a permanent improvement project (PIP).

9.2 RELATED OSE FORMS

The following OSE standard forms are referred to in this Chapter. Reproducible copies of these forms may be found in the Appendix indicated.

- A. Form SE-900, *Application for Permit to Develop in a Flood Hazard Area*, which may be found in Appendix C.
- B. Form SE-901, *Permit to Develop in a Flood Hazard Area*, which may be found in Appendix C.

9.3 ACQUISITION OF REAL PROPERTY

A. Establish a Project

- 1. Any agency proposing to acquire real property, existing structures or other improvements by purchase, donation or exchange, must complete a Form A-1 and submit it to the Capital Improvements Unit, State Building and Property Services Section, Office of General Services.
 - (a) The Form A-1 should be accompanied by as much detailed information as the agency has available to it, or can obtain without the expenditure of any funds.
 - (b) South Carolina law prohibits any expenditures related to the acquisition prior to the formal establishment of a project.
- 2. After reviewing the Form A-1, the Office of General Services may establish the project and authorize expenditures not to exceed \$10,000 per parcel. These funds shall be used for further investigative work to provide the agency, the Joint Bond Review Committee (JBRC) and the Board with the following:
 - (a) A detailed description of the project;
 - (b) The total anticipated cost;
 - (c) The suitability of the proposed acquisition for the agency's purposes; and
 - (d) Any potential problems with the property or the improvements, including modifications required to bring any buildings into conformance with current building codes.

B. Project Implementation

- 1. After the agency receives an approved Form A-1 establishing the project, they shall obtain the following information and submit it to Capital Improvements along with a new Form A-1 requesting final acquisition:
 - (a) Market value appraisal(s) of land and building(s) by a state certified appraiser (not required for donations of real property);

NOTE: The Budget and Control Board, on March 12, 1985, exempted appraisers from the purchasing procedures and reporting requirements of the SC Consolidated Procurement Code.

 - (b) Anticipated use of the property;
 - (c) Existing contracts or agreements concerning the property; and

(d) Evaluation of the property for environmental deficiencies (see Paragraph 9.3.C).

NOTE: The OSE strongly encourages agencies to also perform a property condition assessment and an evaluation of the building for code deficiencies before making any final decisions on an acquisition. See below for more information.

NOTE: All procurements for architectural/engineering analyses (e.g., environmental assessments, feasibility studies, soil borings, asbestos studies), and land surveying services (e.g. plats, topographies, utilities) must be procured in accordance with Chapter 4.

2. After Capital Improvements has determined that the information received from the agency is adequate, they will then submit the project to the JBRC and the Board for consideration.
3. After favorable review by the JBRC and approval by the Board, the new Form A-1 will be signed and dated, indicating approval of the proposed acquisition.
4. The agency is authorized to purchase the property after they receive the following documents:
 - (a) A copy of the approved Form A-1; and
 - (b) The certificate of acceptance showing Board approval, which is required to record the deed.

C. Environmental Studies Required for Land Acquisitions

1. All state land acquisitions require at least a Phase I environmental study to be conducted on the subject property prior to review and approval by the JBRC and the Board. If the property under consideration contains any buildings, an asbestos survey of the buildings, complete with an estimated abatement cost, must also be furnished to Capital Improvements for review and approval.
2. The Phase I or Phase II environmental study shall be performed by a firm included on the most current OSE list of Firms Qualified to Perform Environmental Studies for State Land Acquisitions, which can be found in Appendix I. The asbestos survey may be performed by anyone the agency selects that is qualified to perform such work.
3. The completed environmental study shall be furnished to Capital Improvements, and they will furnish the results of the study to the Budget and Control Board for their consideration in the decision making process.
4. In the event the Phase I study indicates that unfavorable environmental conditions may be present, the Office of General Services may require the agency to perform a Phase II study.
5. The costs of acquiring all studies shall be the responsibility of the agency proposing to acquire the property.

D. Recommended Property Condition Assessments

1. Agencies considering the acquisition of existing buildings should make the decision to purchase with a full understanding of the future costs of conversion.
2. In addition to the Environmental studies required by the Board, the OSE recommends the following:
 - (a) A Property Condition Assessment using ASTM E2018-99 as a basis for the review and report;
 - (b) An assessment of the degree of compliance with current building codes with respect to Fire Safety, Means of Egress, and General Safety using Chapter 34 of the International Building Code as a basis for the review.
 - (c) A Tier 1 assessment of the seismic capability of the existing structure using FEMA 310-1998 and the Life Safety (LS) Performance Level except the evaluation of "Essential Facilities" shall be based on an Immediate Occupancy (IO) level of performance. "Essential Facilities" are listed in Category III, Table 1604.5 of the 2000 International Building Code. Refer to Chapter 5 for more information on the requirements for seismic evaluations of renovated buildings.

9.4 DEMOLITION OF REAL PROPERTY

- A. Buildings or other improvements shall not be demolished until the agency receives written approval from the State Engineer.
- B. Requests for approval to demolish real property shall include the following:
 - 1. A complete description of the real property to be demolished, including age, size, type of construction, use, condition, exterior and interior photographs, etc.;
 - 2. The reason for demolishing the real property;
 - 3. The estimated cost of demolition; and
 - 4. The source of funds.
- C. When the cost of demolition is expected to exceed \$100,000, a PIP shall be established before submitting the request for approval to the State Engineer, unless the demolition is a part of an established PIP.
- D. The OSE shall give notice of demolition of any building and/or permanent improvement to State Building and Property Services.
- E. The agency shall submit written notification of demolition to SCDHEC (Bureau of Air Quality Control) at least 10 working days before demolition begins, even if there is no asbestos present.
- F. Demolition projects in a flood hazard zone require an permit (Form SE-901) from the OSE prior to the start of any work. The Form SE-900 submitted by the agency for these projects shall include the following information in addition to the requirements listed in Chapter 5:
 - 1. Where will the debris be stored and for how long?
 - 2. Where will the demolition equipment be stored and for how long?
 - 3. If the project is located in a regulatory floodway, what is the effect of removing the structure on base flood elevations?

9.5 MOVING REAL PROPERTY

- A. Any agency wishing to move, or to have moved, any existing building, including a modular building, onto state lands shall first obtain the written approval of the State Engineer.
- B. The agency shall make all necessary improvements required in order for the real property that has been moved to fully comply with the requirements of the applicable codes and standards for new structures as described in Chapter 5.
 - 1. These improvements shall be made within 90 days of the date of the State Engineer's written approval to move the property.
 - 2. The State Engineer may grant a time extension for matters beyond the control of the agency.
- C. Requests for approval to move real property shall include the following:
 - 1. A complete description of the property to be moved, including age, size, type of construction, condition, etc.;
 - 2. The reason for moving the property;
 - 3. The present location of the property;
 - 4. The new location (provide map) the property is being moved to;
 - 5. The use of the property at new location;
 - 6. The estimate of cost of moving;
 - 7. The cost of rehabilitation of the property for its new use;

8. Plans and specification for improvements required in order for the property to comply with all applicable codes and standards as described in Chapter 5, and;
 9. The source of funds.
- D. When the cost of moving is expected to exceed \$100,000, a PIP shall be established before submitting the request for approval to the State Engineer.
- E. The OSE shall give notice of moving any building and/or permanent improvement to State Building and Property Services.

9.6 SALE OF REAL PROPERTY

- A. When any agency determines that the best method of disposal or removal of a building is by sale to the public, it shall obtain approval from the Board.
- B. Requests for approval to sell real property shall be submitted to Capital Improvements and shall include the following:
1. A complete description of the property to be sold, including age, size, type of construction, condition, etc.;
 2. The reason for disposition of the property by sale; and
 3. An appraisal of the property, done by a certified state appraiser.

9.7 LEASE - PURCHASE ARRANGEMENTS

- A. Lease-purchases are those leases which provide for equity accrual, and eventual State ownership of the property.
- B. The procedures and requirements listed in this chapter for the acquisition of real property may also apply to lease-purchase arrangements. Because each lease-purchase is handled on a case-by-case basis, the State Building and Property Services Section should be contacted to determine the proper procedures.
- C. Construction plans and specifications for all lease-purchase construction projects shall be prepared in the same manner and to the same standards that apply to normal state construction projects, and submitted to OSE for review and approval prior to construction.

9.8 LEASING AND RENOVATION OF STATE PROPERTY BY OTHERS

- A. All leasing of state real property by a state agency shall be handled through State Building and Property Services.
- B. All construction and renovations to state property that is leased to others shall be designed and built in accordance with all applicable codes and standards as described in Chapter 5.
- C. Construction plans and specifications for all construction projects involving state property that is leased shall be prepared in the same manner and to the same standards that apply to normal state construction projects, and submitted to OSE for review and approval prior to construction.
- D. The procedures and requirements of this Manual related to the Procurement Code may apply to the design and construction of any improvements to state property leased to others. Because such leases are handled on a case-by-case basis, the Office of State Engineer shall be contacted to determine the proper procedures.

9.9 LEASING AND RENOVATION OF NON-STATE PROPERTY BY A STATE AGENCY

- A. All leasing of non-state property by a state agency shall be handled through State Building and Property Services.

- B.** If construction or renovation to non-state property is procured by a state agency, it shall be subject to the rules and regulations of the Procurement Code. All such construction shall be designed and built in accordance with all applicable codes and standards as described in Chapter 5.
- C.** Construction plans and specifications for all construction projects involving non-state property, whether procured by the state agency or by the owner of the property that is leased by a state agency shall be prepared in the same manner and to the same standards that apply to normal state construction projects, and submitted to OSE for review and approval prior to construction.

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